SYNOPSIS

DESIGNING AN INTEGRATED MODEL OF ORGANISATIONAL COMMITMENT, QUALITY OF WORK LIFE AND JOB PERFORMANCE

(With Special Reference to the Employees in ITes Sector, Coimbatore)

Submitted by

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The post globalization and post liberalization witnessed the emergence of different kinds of organization such as IT, ITes, multiplexes, call centers, international fast food chains in India. These service organizations are the new face in India. Determining the organization commitment (OC) among the employees is an important consideration for the employers interested in improving profitability especially in ITes sector where the opportunities for the employees are more and widespread. In achieving the objective of the current study, Quality of Work Life (QWL) has been treated as base factor (antecedent) and one of the key outcomes of organization commitment, Job Performance (JP) is considered among employees in ITes sector with respect to Coimbatore city.

ITes is a burgeoning sector which will generate export revenue of more than US$86 billion by 2012 (NASSCOM estimates). The industry needs committed employees to achieve the industrial targets and enhance the level of productivity. Some of the services covered by the ITes sector would be a) Customer Support –voice and non voice b)Medical Transcription c)Insurance d)Content Development and Animation e)Market Research f)Accounting/Banking Services g)Data Entry h)Health BPO . Inspite of major thrust on employees' involvement, not much attention has been paid to the conditions of the work environment that allows the employees to feel the great deal of work related well being (Riggio, 1990).

The IT and ITES have been the largest industry segments responsible for contributing to the growth of the Indian economy. In the past few years, Coimbatore is emerging as an IT and BPO city. In recent years Employers in ITes Sector sought to understand whether people are committed to an organization for the sake of monetary benefits or they have willingness to identify themselves with organization and its goals. Organizational commitment is increasingly identified as a progressive indicator related to the function and sustainability of business organization. Keeping this in view, an attempt is made through the current thesis to understand the relationship and inter effects between Quality of Work Life (QWL), Organization Commitment (OC) and Job Performance (JP), demographics of employees in selected ITes organizations in Coimbatore city.

According to Von De Looi and Bender (1995), low quality of work life may affect the quality of services and organization commitment. If employees perceive an organization to offer a good work environment in return to their contribution, then the employees will report higher levels of performance. One of the dimensions of the study is to investigate the relationship between the quality of work life and organization commitment among the respondents. It is also evident from previous studies that commitment plays a predominant role with performance outcomes, Angle and Perry (1981).

Against this back ground a literature review is presented to understand the attempts made by researchers earlier in determining the inherent relationship between organization factors and organization commitment. The existing literature in OC is fragmented and there are chances that OC would vary sector wise. The literature search indicates OC is limited in various antecedents ranging from personal variables to organization characteristics.

OC refers to the strength of an employee involvement in and identification with the organization (Hellriegel and Slocum, 1998). Affective commitment describes alignment that employees feel between their organization and their personal value system and desires. The Continuance commitment defined as the awareness of the costs associated with leaving the organization. It is calculative in nature weighing the costs and risks associated with leaving the current organization. Finally, the normative dimension of OC focuses on feelings of loyalty to a particular organization resulting from the internalization of normative pressures exerted on an individual. It is the feeling of obligation to continue. It is contended that the OC of employees is essential for the survival and effectiveness of organization because the fundamental responsibility of management is to maintain the organization in a state of health to carry on its work.

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The factor QWL becomes critical due to increasing demands of today's business environment. Robbins (1989) defined QWL as “a process by which an organization responds to employee needs by developing mechanism to allow them to share fully in making the decision that design their lives at work". The present study intends to describe the effects of QWL upon the three dimension of OC. In investigating the relationship between QWL and OC amongst employees in Malaysian firm (Normala, Daud, 2010), the results showed that there

was relationship between QWL and OC, meaning to say higher the QWL the stronger will be the OC of employees. A favourable work environment may tune employees' commitment and there is strong relation between OC and job performance.

Campbell (1990) describes job performance as an individual level variable. That is, performance is something a single person does. He clarifies that performance does not have to be directly observable actions of an individual. Performance refers to accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed. Work performance in terms of quantity and quality expected from each employee. The present study considers the behavioural dimensions of job performance.

Yousuf (1997) reported that OC leads to improved employee performance. Ebrahim, Mohammadreza, Alirezalotfi (2010) tested the relations between QWL and job performance and proved that the two constructs are highly correlated. This study exhibits optimism concerning the potential of QWL in enhancing the performance of employees. The findings of a research (Muhammad Riaz Khan, Ziauddin, Farooq Ahmed Jam, M.I.Ramay, 2010) proved that employee's job performance is positively related with OC.

It is found that Indian ITes has highest employee turnover of 40% against average of 20% and almost 60% of employees have less than one year of tenure (Holman et al., 2007). Researchers have explored the problems like high levels of standardization, high levels of performance monitoring, lower levels of employee's discretion. It could be argued that this scenario results in lower levels of job commitment on the part of Indian workers and to the correspondingly higher levels of job attrition that is observed in this industry (Taylor and Bain, 2005).

In the past few years, ITes industry shifts to tier II cities and there are challenges arising out of social and cultural changes. Since the professionals are employed in the virtual environment a study on QWL, OC and JP for ITes professionals in tier II city like Coimbatore is the need of the hour. The above literature reveals that there exists definite relationship among QWL, OC and job performance. The present study is an attempt to investigate the relationship of QWL, OC and JP among ITes professionals in Coimbatore,

OBJECTIVES

The objectives formulated according to the current industrial needs are as follows –

Primary

1. Examine the level and form of Organisational Commitment.
2. Determine the Effect of Quality of Work Life dimensions on Organisational Commitment.
3. Study the influence of Organisational Commitment on Job Performance.
4. Design an integrated model to establish relationship between QWL, JP and Demographics with Organisational commitment.

Secondary

1. Implications of demographic factors on QWL, OC and job performance.

HYPOTHESES

- Organisational Commitment shall remain independent of QWL dimensions.
- The Performance dimensions shall remain independent of Organisational commitment.
- There is no significant difference in OC, QWL and JP among different demographic factors (Type of Organization, Gender, Age, Marital status, Education, Income, Length of service in Industry, Employment status and Tenure in current organization).

METHODOLOGY

Data collection method

The study employs two sources to compile the data - primary and secondary. The primary data was gathered through the self administered questionnaire. The questionnaire consisted of four parts which includes **Demographic details, Organizational Commitment (OC), Quality of Work Life (QWL), Job Performance (JP)**. The statements related to OC is derived from OCQ (Organizational Commitment Questionnaire) developed by Allen and Meyer (1990).OC was measured using 24 item scale which comprises of Affective Commitment (8 items), Continuance Commitment (8items), Normative Commitment (8 items). Part 3 consists of QWL assessment based on the survey instrument of Russel Consulting Inc.,(2005) and part 4 on job performance, the factors of Job performance have derived from the global dimensions of performance (International Employment Relations Association,2009),Job Performance Indicators of Campbell (1990), Viswesvaran, D.S.ones and Schmidt (1996) and inputs from the ITes organizations locally. The respondents are

asked the extent to which they agreed or disagreed on each item, the 5 point Likert scale is employed in the measurement of all the scales.

Research Design

The population includes employees at the operational level in ITes Sector in Coimbatore. This study is based on Descriptive Research Design.

Sample

A total of 608 participants across 20 organizations are collected using non probability Purposive sampling at the operations level .Of these, 561 useable responses are analyzed which yielded a response rate of 62%.

Data Analysis

The particular statistical procedures used are selected based on the suitability to examine the objectives of the study. The Descriptive statistical analysis facilitated to understand the profile of respondents. In order to find out the level and major form of Commitment, Mean and Standard Deviation is used. The results of Multiple Regression Analysis are also considered as an evident. The Inter Correlation analysis helped to understand the correlation of QWL, OC and JP. The Mean and Standard Deviation is calculated for all the personal variables with all dimensions of QWL, OC and JP. The ANOVA and Scheffe's post hoc test helped to examine the set hypothesis and to identify the homogeneous groups respectively. The z-test to test the hypothesis based on gender is also used. The Multi Variate Analysis like Factor Analysis to extract the factors of QWL, Multiple Regression Analysis to investigate the impact of QWL on OC as well as the influence of OC on JP and Canonical correlation to establish the combined correlation among QWL, OC and job performance are employed. The data analysis is carried out using SPSS statistical package.

Reliability test

a) In order to evaluate the reliability level of the data, Cronbach Alpha test is conducted. Only elements with alpha value of 0.70 or above are considered. For all the variables of OC, QWL and JP, alpha value is above 0.70 which shows the internal consistency of the scales (Cronbach, 1981).

b) All the statements in QWL and JP were considered after the calculation of Content Validity Ratio. Only statements which have scored 0.42 or above have been included in the

survey instrument Lawshe (1975).After the reliability check and content validation, the final version of the questionnaire is arrived at.

Extraction of QWL using Confirmatory Factor Analysis

A Confirmatory factor loading with Varimax rotation for QWL was done to investigate the underline relationships of a large number of items and to determine whether they can be reduced to a smaller set of factors. This analysis has a high potential to inflate the Component loadings. Thus, a higher rule-of-thumb a cutoff value of 0.40 is adopted (Nunnally and Bernstein, 1994). The Kaiser- Meyer-Olkin measure of sampling adequacy and Bartlett's test of Sphericity are used to determine the appropriateness of Factor Analysis. The four dimensions of QWL identified and labeled as Reward system, Managerial style, Organizational support and Job itself. The factor loadings in the four factors range from 0.50 to 0.77. There is a plethora of literature highlighting QWL as an assessment factor of OC. The total variance of QWL explained the loss of only 40% of information content. QWL can rightly create an environment in which commitment can flourish (Walton R.E, 1975).

MAJOR FINDINGS

The following major findings are identified -

I Demographic statistics

The samples are spread across 8 organizations of diverse nature with Medical Transcription taking a lead of 31%. The statistics displays 52% are male and majority of the respondents (39%) are in the age group of 20-25 years. The major reason for more number of young respondents is that ITes has relatively short history. Most of the respondents (55%) are not married. Nearly 47% are with UG qualification followed by PG, professional and diploma. The respondents (44%) in the income category of Rs. 5000 – Rs.10, 000 are found to be maximum. The respondents (34%) are with below 2 years of experience in industry. Majority of respondents (70%) are permanent. In case of tenure in the current organization, people with 1- 2 years (29%) and 2-4 years (29%) stand equally.

II. Examine the level and form of Organisational Commitment

The results of the overall mean and standard deviation demonstrate that Affective commitment appears to have the highest mean compared to other forms of OC. This is a good indicator that the respondents are committed to their organizations. The multiple regression analysis also is an evidence to prove that affective commitment is the strongest predictor of performance. To determine the relationship between the variables of

OC, QWL, JP, correlations are computed. Affective commitment exhibited a high positive correlation with Normative commitment as compared to Continuance commitment.

III. Relationship among QWL, Organizational commitment and Job Performance

(a) Relationship of QWL and Organizational commitment

Based on Correlation analysis, Affective commitment showed highly significant and positive correlation with QWL factors, Organization Support and Managerial Style. Continuance commitment exhibited high positive correlation with organization support followed by Managerial Style, Job itself and Reward System. In case of Normative Commitment, the two sub scales of QWL, Organization Support and job itself showed high positive correlation. The correlation is positive for all dimensions of OC and QWL.

(b) Relationship between Organizational commitment and Job Performance

. Accountability seems to be highly correlated compared to the other two dimensions, Quality, Knowledge and Skills. The correlation is positive for all dimensions of OC and JP.

(c) Relationship between QWL and Job Performance

The correlation between the factors is found to be high.

IV Effect of Quality of Work Life dimensions on Organisational Commitment

In order to test the specific contribution of QWL variables on OC, Multiple Regression analysis is performed. QWL factors, Reward System, Managerial Style, Organizational Support and job itself are posited to have a positive relationship with Affective commitment, Continuance commitment and Normative commitment.

Affective Commitment

It is observed that the QWL variables account for about 71% of the total variance in Affective commitment. Three QWL factors are significant namely managerial Style, Organizational support and Job itself. As affective commitment is dependent on QWL, the hypothesis is rejected.

Continuance Commitment

It is found that QWL variables account for about 52% of the variance in the Continuance commitment. Only three QWL variables have significant effects on Continuance commitment. The factors are managerial Style, Organizational support and Job itself. Continuance commitment is dependent on QWL, the hypothesis is rejected.

Normative Commitment

It is examined that the QWL variables account for 61% of total variance in Normative commitment. Three QWL factors are significant namely managerial Style, Organizational support and Job itself. As normative commitment is dependent on QWL, the hypothesis is rejected.

V Influence of Organisational Commitment on Job Performance

In order to assess whether job performance is dependant on OC, Multiple Regression Analysis is applied. The regression analysis revealed that Affective commitment and Normative commitment impact the dimensions of Job performance compared to Continuance commitment. In case of Knowledge and skills, Quality and Accountability, Continuance commitment proved as insignificant.

VI. Relationship of demographics with QWL, OC and job performance

Organisational commitment and personal characteristics have a significant influence on performance outcomes. The impact of QWL dimensions on demographic profile also emphasized. The demographic variables for the study are - Type of Organization, Gender, Age, Marital status, Education, Income, Length of service in Industry, Employment status and Tenure in current organization.

a) Type of Organization

The hypothesis states that there is no significant difference among different organizations with respect to all factors of OC, JP and QWL. The results indicate that the hypothesis is rejected for all dimensions of OC, QWL and JP except Reward system. The subsets disclosed by scheffe's Post hoc test Online Education and Medical Records Management in two separate groups to display difference for most of the dimensions.

b) Gender

The hypothesis states that there is no significant difference between the groups based on gender with respect to all dimensions of OC, QWL and JP. The hypothesis for Continuance Commitment and Managerial Style proved to be accepted and they are not significant. The hypothesis is rejected for rest of the dimensions of OC, QWL and JP.

c) Age

The hypothesis states that there is no significant difference between groups based on age for all dimensions of OC, QWL and JP. The results reveal that there exists highly significant difference among different age groups for OC, QWL and JP. The subsets formed through Scheffe's Post hoc test shows that the respondents in 40-45 years form one subset

and the second subset comprises of respondents in the age group of 20-25 years, 25-30 years and Above 45 years for most of the dimensions.

d) Marital Status

The hypothesis states that there is no significant difference between groups based on marital status for all dimensions of OC, QWL and JP. The hypothesis is accepted for all dimensions of OC, QWL and JP except job itself in QWL construct and for Accountability in performance dimension, the hypothesis stands rejected.

e) Education

There is no significant difference based on educational qualification between groups for all dimensions of OC, QWL and JP. The hypothesis gets rejected for all dimensions of OC, QWL and JP. The professionals and Diploma Holders are the two subsets for many dimensions.

f) Income

The hypothesis states that there is no significant relationship among different groups based on income and all other variables of the study. The hypothesis is accepted for all dimensions of QWL, OC and JP.

g) Length of Service in Industry

The hypothesis states that there is no significant difference among different groups based on length of service with respect to all dimensions of OC, QWL and JP. The hypothesis is accepted for all the dimensions of OC, QWL and JP.

h) Employment Status

There is no significant difference among different groups based on employment status is the set hypothesis. It is pertinent to note the employment status does not influence OC, QWL and JP between temporary and permanent employees.

i) Tenure in Current Organisation

The hypothesis states that there is no significant relationship between groups based on tenure in current organization for all dimensions of OC, QWL and JP. The hypothesis is rejected for all the dimensions of OC, QWL and JP except for the QWL factors, Reward System. The Scheffe's Post hoc test reveals two subsets for most of the dimensions.

The analysis based on Overall Mean Score Value indicates that the level of commitment of respondents follows the order of Affective, Normative and Continuance. In

case of QWL construct, Job itself has the highest mean score. The performance dimension Accountability found to have scored high.

The overall findings of this thesis provide a frame work for exploring dimensionality, antecedent and consequence of organizational commitment.

SUGGESTION

From the research results, it appears that employees with strong Affective commitment are more valuable employees to the organization. Affective commitment is much more difficult to attain but it is strongly resulted in adding organization's values and strong motive to contribute to the organization's effectiveness. QWL has an important influence in the development of OC in employees. Employees who perceive their organizations as being supportive tend to perform effectively. An integrated model of OC will be suggested to generate positive commitment through effective QWL constructs and sustain the commitment to turn out competitive performance.

Organizations in ITes today are striving to become world-class organizations and compete globally. For organizations to become world-class they need committed employees. The present research focuses on the role of different variables that impact organizational commitment and result in better outcome. The study would propose an integrated model with the support of predictor variables and depict the significant interaction effects of different variables of the study. The model would serve as a tool for employers in ITes to understand the intensity of QWL in building Commitment Profile of employees to ensure advanced performance outcome.

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